

BELL, McANDREWS & HILTACHK, LLP
ATTORNEYS AND COUNSELORS AT LAW
455 CAPITOL MALL, SUITE 600
SACRAMENTO, CALIFORNIA 95814

(916) 442-7757
FAX (916) 442-7759
www.bmhlaw.com

July 2, 2013

BY OVERNIGHT DELIVERY

Jeff S. Jordan, Supervisory Attorney
Frankie D. Hampton, Paralegal
Office of General Counsel
Federal Election Commission
999 E Streets, NW
Washington, DC 20463

Re: MUR ⁶⁷³⁴~~6745~~ - Dr. Prem Reddy

Dear Mr. Jordan and Ms. Hampton:

On behalf of Dr. Prem Reddy (hereafter "Dr. Reddy"), who is named as a Respondent in the complaint filed by Citizens for Responsibility and Ethics in Washington, Melanie Sloan, the Campaign Legal Center and Paul S. Ryan, dated May 9, 2013, this is to provide an explanation of the circumstances related to Dr. Reddy's contributions to federal candidates and political party committees that allegedly violated 2 USCA § 441a (a) (3); the biennial aggregate contribution limits.

The Commission designated the matter as MUR 6734 by letter of May 14, 2013. On behalf of Dr. Reddy, the undersigned Designated Counsel requested an extension of time to respond for 30 days, and the Commission staff granted this extension on May 29, 2013. This response is submitted by the July 3, 2013, date of extension.

Dr. Reddy demonstrates that prior to the filing of the complaint, he had requested reattributions of contributions and, shortly thereafter, requested refunds of other contributions that the complaint alleges violated the aggregate contribution limits. Between April 18, 2013, and the present, Dr. Reddy has received refunds (or written commitments to make refunds) and reattribution confirmations from the committees to which the refund and reattribution requests were sent. Therefore, Dr. Reddy requests that the Commission take no further action in the matter.

Letter to Jeff S. Jordan
Frankie Hampton
Office of General Counsel
Federal Election Commission
July 2, 2013
Page 2

On or about April 15, 2013, Dr. Reddy became aware of interest in the contributions he and his spouse had made to various federal candidates and committees in the 2011-2012 election cycle and the claim that these contributions exceeded the biennial aggregate limits of 2 USCA § 441a(a)(3). Immediately, he retained the undersigned counsel with expertise in the Federal Election Campaign Act (FECA) and the regulations and policies of the Federal Election Commission to advise him on the law and the proper course to resolve any legal issues, and to provide him ongoing assistance in the future to best comply with FECA and the Commission's regulations and policies. Dr. Reddy had been aware of the base contribution limits of FECA and had fully complied with those limits, but had been unaware of the biennial aggregate contribution limits.

On April 18, 2013, upon review of his contributions and the aggregate limits, and aware of the contributions made by his spouse, Dr. Venkanna Reddy, Dr. Reddy and his spouse initiated communications to candidates to whom he had contributed about refunds and reattributions, seeking reattribution of contributions by him to those committees for which his spouse could lawfully be reattributed as their contributor. (See Attachment B).¹ Dr. Reddy's contributions had been made on checks from their joint bank account. He also identified contributions for which no reattribution to his spouse was possible, because his spouse had made the maximum permissible contributions already to those candidates or committees during the applicable primary or general election (for candidates) or calendar year for election cycle (for non-candidate committees). On June 7, 2013, he initiated requests for refunds from those candidates. (See Attachment C).

As of July 1, 2013, Dr. Reddy had successfully obtained confirmations of re-attributions of contributions made by him to his spouse, Dr. Venkanna Reddy, and had obtained refund checks copies of which are contained in Attachment D hereto. At this time, Dr. Reddy has confirmed that these candidates or committees have all agreed to make refunds, which we anticipate will occur before the end of July 2013. With the combination of reattributions and refunds, Dr. Reddy's aggregate biennial contributions are within the limits of 2 USCA § 441a (a) (3). (See Attachment A for list of Dr. Prem Reddy's contributions and status of reattributions and refunds, and list of Dr. Venkanna Reddy's contributions including reattributed contributions.)

Because the Commission's regulations contain no limitation on the timing of donors making reattribution requests, and refunds are always appropriate when both the contributor and the recipient candidate or committee become aware of the need to do so, we believe that the Commission should accept this good faith effort by Dr. Reddy to resolve the matter, particularly where (1) there was no excessive contribution to any candidate under the base contribution limit for candidates, 2 USCA §441a(a)(1); (2) there was no excessive contribution to any other non-

¹ Dr. Reddy has reimbursed his corporation, Prime Healthcare Services, for staff assistance provided in connection with seeking reattributions and refunds.

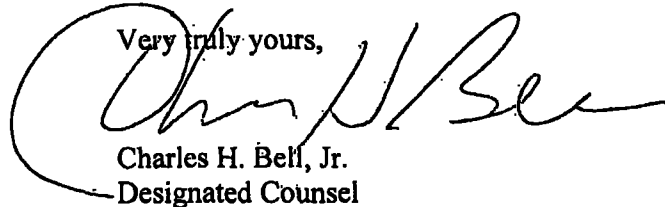
Letter to Jeff S. Jordan
Frankie Hampton
Office of General Counsel
Federal Election Commission
July 2, 2013
Page 3

candidate committee under the base contribution limits for such committees 2 USCA §441a(a)(3); and (3) the recipient committees had no knowledge or reason to know that Dr. Reddy's legal contributions to their committees might have exceeded the aggregate election cycle limits.

Moreover, I note, and the Commission is aware, that the issue of the constitutionality of the aggregate election cycle limits at issue in this MUR is currently the subject of a case challenging those aggregate limits in *McCutcheon v. Federal Election Commission*, No. 12-536, probable jurisdiction noted, February 19, 2013 (Bi-Partisan Campaign Reform Act, §403(a)). That case will be argued and decided in the upcoming October Term 2014 by the United States Supreme Court. While I believe that Dr. Reddy's prompt and timely requests for reattributions and refunds should result in a determination that no further action should be taken in this matter by the Commission, if the Commission is not inclined to do that, it should at least postpone determination of this matter until the Supreme Court has ruled on the constitutionality of the aggregate election cycle limits.

Please feel free to contact the undersigned if you have any questions about this response or the request that the Commission take no further action in this matter.

Very truly yours,



Charles H. Bell, Jr.
Designated Counsel

CHB/cfd
Enclosures: Attachments A-D